

Message Text

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41

ACTION AF-06

INFO OCT-01 ISO-00 AGR-05 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 DODE-00 PA-01 PRS-01 /081 W

----- 044480

R 041150Z JUN 75

FM AMEMBASSY KHARTOUM

TO SECSTATE WASHDC 9960

INFO AMEMBASSY NAIROBI

LIMITED OFFICIAL USE KHARTOUM 1340

NAIROBI FOR REDSO

E.O. 11652: N/A

TAGS: ECON, EFIN, SU

SUBJ: GOS BUDGET

1. IN THE SPEECH TO PEOPLE'S ASSEMBLY JUNE 2, MIN OF FINANCE AND NATIONAL ECONOMY BIIIRI PROPOSED FY 1976 BUDGET CALLING FOR DEVELOPMENT EXPENDITURES OF LS 281.8 MILLION (LS 1.00 EQUALS \$2.50), 280 PER CENT GREATER THAN FY 1975 EXPENDITURES AND, IN FACT (AS NIMEIRI PUBLICLY POINTED TO WITH PRIDE ON MAY 25), MORE THAN TOTAL FOR PREVIOUS SIX YEARS COMBINED. SOURCES OF FINANCING GIVEN ARE FOREIGN EXCHANGE GRANTS AND LOANS TOTALLING LS 129.8 MILLION AND LOCAL CURRENCY LS 152.1 MILLION. OF LATTER LS 32.8 MILLION WOULD COME FROM RECURRENT BUDGET SURPLUS (I.E., GOS REVENUES) AND REST PRESUMABLY FROM BORROWING. BREAKDOWN BY SECTOR (IN LS MILLIONS) AS FOLLOWS: AGRICULTURE - 58.9; INDUSTRY - 69.3; TRANSPORT AND COMMUNICATION - 78.4; SERVICE 27.7; SOUTHERN REGION - 7.0; AND RESERVE 5.0. RECURRENT BUDGET EXPENDITURES WERE ESTIMATED AT LIMITED OFFICIAL USE

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LS 304.5 MILLION INCLUDING LS 54.7 FOR SALARIES AND LS 58

MILLION FOR LOCAL GOVERNMENTS. FIGURE COMPARES TO ESTIMATED LS 265 MILLION ACTUALLY SPENT IN FY 1975. TOTAL FOREIGN EXCHANGE EARNINGS ARE ESTIMATED AT LS 206.8 MILLION.

2. MINISTER PROMISED ASSURE AVAILABILITY "ESSENTIAL"COMMODITIES AND RAISE MINIMUM INCOME EXEMPT FROM TAX FROM LS 300 TO LS 400 PER ANNUM. HE SPOKE OPTIMISTICALLY OF REVENUE AND FOREIGN EXCHANGE EFFECTS OF OPENING OF SUEZ CANAL, COMPLETION OF SEVERAL MAJOR DEVELOPMENT PROJECTS, IMPROVED MARKETING OF COTTON AND OIL SEEDS, AND AID FROM EEC (BEING REPORTED SEPARATELY) AND ARAB WORLD. HE CONFIRMED WHAT OTHERS HAVE BEEN SAYING, VIS., THAT AGRICULTURE AND AGRO-INDUSTRY WOULD BE KEY TO DEVELOPMENT STRATEGY IN COMING YEARS.

3. COMNFNT FOLLOWS.
BREWER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, ECONOMIC CONDITIONS, SPEECHES, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: BoyleJA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KHARTO01340
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750195-0077
From: KHARTOUM
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750682/aaaacxha.tel
Line Count: 77
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: BoyleJA
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2003 by BoyleJA>; APPROVED <27 AUG 2003 by BoyleJA>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOS BUDGET
TAGS: ECON, EFIN, SU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006